



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 362 of the 132nd G.A.

Status: As Reported by Senate Insurance & Financial Institutions

Sponsor: Reps. Carfagna and Ramos

Local Impact Statement Procedure Required: No

Subject: To revise the law governing the State Highway Patrol Retirement System

State & Local Fiscal Highlights

- No direct fiscal effect on the state and political subdivisions. The bill makes no changes to contribution rates to the State Highway Patrol Retirement System.
- Some changes in the bill would likely reduce the retirement system's expenditures and liabilities in the future, thus generating savings to the retirement system. This could produce indirect fiscal savings for the state in the future, by making employer contribution rates lower than they otherwise would be.

Detailed Fiscal Analysis

The bill revises the law governing the State Highway Patrol Retirement System (SHPRS). Under the bill, an individual who becomes an SHPRS member on or after January 1, 2020, may retire with an unreduced pension if the member has 25 years of service credit when they have attained age 52; such members will continue to be eligible to elect to retire with a reduced pension at age 48 with 20 or more years of service credit. The bill does not change retirement eligibility for SHPRS members who became members before January 1, 2020; they will still be able to retire with an unreduced pension at age 48 if they have 25 years of service. The bill makes changes to the off-duty disability pension calculation for certain SHPRS members who qualify for off-duty disability pension on or after the bill's effective date. The bill modifies the eligibility requirement and pension amount related to benefits for the surviving spouse of a deceased SHPRS member. Details about the bill's provisions can be found in the LSC Bill Analysis.

Fiscal effect

The bill has no direct fiscal effect on the state. The bill does not make any changes to the employer contribution rate to the SHPRS. Currently, the state contributes 26.5% of an SHPRS member's pay to the SHPRS while a member contributes 12.5%.

According to the SHPRS actuary, the bill will have no effect on current SHPRS liabilities. However, in the future it may decrease SHPRS liabilities and the SHPRS funding period. There is a possibility, therefore, of an indirect fiscal effect on the state in the future; at some future point contribution rates may be lower than they otherwise would be.

There would be no direct or indirect fiscal effects on political subdivisions because political subdivisions and their employees are not members of SHPRS.

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